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FISCAL IMPACT STATEMENT

LS 6705

BILL NUMBER: HB 1112

NOTE PREPARED: Jan 3, 2008

BILL AMENDED:

SUBJECT: Learner's Permits and Driver's Licenses.

FIRST AUTHOR: Rep. Micon

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill:

- (1) Raises the minimum age for the issuance of a learner's permit;
- (2) Raises the minimum age for the issuance of a probationary operator's license;
- (3) Sets requirements for practice driving before a probationary operator's license can be issued;
- (4) Prohibits a driver under the age of 18 from operating a motor vehicle while using a handheld device;
- (5) Revises the period during which certain passengers may accompany a probationary driver;
- (6) Revises hours when nighttime driving is prohibited by certain probationary drivers;
- (7) Specifies the periods of validity for an operator's learner permit;
- (8) Makes it a Class C infraction for a person to be a passenger in a motor vehicle operated by certain probationary drivers under certain circumstances if there is not another individual who: (A) is at least a certain age and holds one of certain types of driver's licenses; or (B) is a certified driver education instructor; present in the front seat of the motor vehicle;
- (9) Provides that the State Board of Education (SBOE) and the Bureau of Motor Vehicles (BMV) shall adopt rules to specify that a school under its jurisdiction may not provide the classroom portion of driver's education instruction to a child less than fifteen (15) years of age; and
- (10) Makes corresponding changes.

Effective Date: Upon passage; July 1, 2008; January 1, 2009.

Explanation of State Expenditures:

- (9) Providing that the State Board of Education and the Bureau of Motor Vehicles shall adopt rules will have

no fiscal impact and will be handled through the current rule-making procedures for both agencies. The funds affected are the Motor Vehicle Highway Account which supports the BMV and the state General Fund which supports the SBOE.

Explanation of State Revenues: *Summary:* The increases in age for both the operator's license and the learner's permit will result in the shifting of revenue forward from FY 2009 to years thereafter. As a result, total revenues would be reduced by an estimated \$811,333 in FY 2009.

The funds with reduced revenues for both the operator's license and the learner's permit will be the Motor Vehicle Highway Account (MVHA), Crossroads 2000 Fund, Anti-terrorism Fund, Motor Vehicle Technology Fund, and the State License Branch Fund.

Fund	FY 2009 Revenue Reduction	Uses
MVHA operator's license learner's permit	\$7,3667 30,750	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the Department of State Revenue
Crossroads 2000 Fund operator's license learner's permit	\$36,833 123,000	Bonding for highway projects
Anti-Terrorism Fund operator's license learner's permit	\$23,021 76,878	Support the Integrated Public Safety Commission
BMV Technology Fund operator's license learner's permit	\$9,208 30,750	Upgrade technology at the BMV
State License Branch Fund operator's license learner's permit	\$115,104 292,125	Support the operation of the licenses branches throughout the state
Total Reduction in Fees	\$811,333	

Penalty Provision: The bill provides for a Class C infraction. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$17), the public defense administration fee (\$3), the court administration fee (\$3), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

Background: This bill increases the age at which individuals become eligible for an operator's license in

future years. The fee for a four-year operator's license is \$14. Annually, approximately 52,000 individuals, or about 4,333 monthly, obtain their operator's license when they are 16 years of age. Assuming that 85% of these 16-year-olds would otherwise obtain their operator's license shortly after becoming 16 years and 30 days, the five-month increase in eligibility age for operator's licenses will tend to shift these revenues forward. The increase in eligibility age would tend to shift license revenues forward by five months in FY 2009 and years thereafter. As a result, revenues would be reduced by an estimated \$257,833 in FY 2009.

This bill also increases the age at which individuals become eligible for a learner's permit. The increase in eligibility age would tend to shift learner's permit revenues forward by six months in FY 2009 and years thereafter. The fee for a learner's permit is \$9. Annually, approximately 123,000 individuals, or about 10,250 monthly, obtain their learner's permit when they are 15 years of age. The six-month increase in eligibility age for operator's licenses will tend to shift these revenues forward. As a result, revenues would be reduced by an estimated \$553,500 in FY 2009.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected: State Board of Education; Bureau of Motor Vehicles; Department of Transportation, State Police, and Department of State Revenue as recipients of MVHA distributions.

Local Agencies Affected: Recipients of MVHA distributions; Trial courts, local law enforcement agencies.

Information Sources: BMV driver's license data for CY 2006.

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